

178237

# NEXSEN | PRUET

**Marcus A. Manos**  
Member  
Admitted in SC, NC, DC

March 1, 2006

**VIA HAND DELIVERY AND ELECTRONIC MAIL**

Charles L.A. Terreni  
Chief Clerk/Administrator  
The Public Service Commission of South Carolina  
Synergy Office Park  
101 Executive Center Drive  
Columbia, South Carolina 29211

RECEIVED  
2006 MAR - 1 PM 4:41  
SC PUBLIC SERVICE  
COMMISSION

**Re: IN RE: DOCKET NO. 2003-273-E**  
**Aiken Electric Cooperative, Inc.-Complainant/Petitioner v.**  
**South Carolina Electric & Gas Company-Defendant/Respondent**

Dear Mr. Terreni:

Charleston  
Charlotte  
Columbia  
Greensboro  
Greenville  
Hilton Head  
Myrtle Beach

Enclosed for filing with the Commission is the original and eleven copies of an **Appendix of Testimony and Exhibits to the Record Cited in Aiken Electric Cooperative, Inc.'s Memorandum in Support of Motion for Summary Judgment and Appendix of Testimony and Exhibits to the Record Cited in Complainant's Reply in Support of Its Motion to Strike Respondent's Amended Answer**. Please return a copy of each, clocked-in, to me via our courier.

Each of the items attached to the Appendixes were previously file with the Commission and are part of the Record and as such were not attached to the Memoranda filed on February 27, 2006. Aiken Electric is filing the Appendixes to aid the Commissioners and Hearing Officer during their review of the Briefs.

By copy of this letter and as evidenced by the attached Certificate of Service, we are serving counsel of record with a copy of the above documents.

Thank you for your consideration.

1441 Main Street  
Suite 1500 (29201)  
PO Drawer 2426  
Columbia, SC 29202  
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Nexsen Pruet Adams Kleemeier, LLC  
**Attorneys and Counselors at Law**

# NEXSEN | PRUET

Charles L.A. Terreni  
March 1, 2006  
Page 2

With best regards, I am

Very truly yours,

A handwritten signature in black ink, appearing to read 'Manos', with a large, sweeping loop at the end.

Marcus A. Manos

MAM/vlm

Enclosures

cc w/encl.: Mitchell M. Willoughby, Esquire  
James B. Richardson, Jr., Esquire  
Shannon Bowyer Hudson, Esquire  
Wendy B. Cartledge, Esquire  
Patricia Banks Morrison, Esquire

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**  
**DOCKET NO. 2003-0273-E**

RECEIVED  
2006 MAR - 1 PM 4: 41  
SC PUBLIC SERVICE  
COMMISSION

**IN THE MATTER OF**

AIKEN ELECTRIC COOPERATIVE, INC.,  
Complainant,

vs.

SOUTH CAROLINA ELECTRIC & GAS  
COMPANY,  
Respondent.

**CERTIFICATE OF SERVICE**

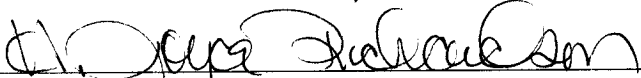
The undersigned certifies that a copy of the **Appendix Of Testimony And Exhibits To The Record Cited In Aiken Electric Cooperative, Inc.'s Memorandum In Support Of Motion For Summary Judgment** has been served upon counsel of record via electronic mail and hand-delivering a copy of the same on the 1<sup>st</sup> day of March, 2006, to the addresses shown below.

Mitchell M. Willoughby, Esquire/Randolph R. Lowell, Esquire  
/Paige J. Gossett, Esquire  
WILLOUGHBY & HOEFER, P.A.  
1022 Calhoun Street, Suite 302  
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Patricia Banks Morrison, Esquire  
SOUTH CAROLINA ELECTRIC & GAS CO.  
1426 Main Street, MC 130  
Columbia, South Carolina 29201

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RICHARDSON & BIRDSONG  
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OFFICE OF REGULATORY STAFF  
1441 Main Street, Suite 300  
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Columbia, South Carolina 29211

  
\_\_\_\_\_  
NEXSEN PRUET ADAMS KLEEMEIER, LLC

Columbia, South Carolina

178237

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION**  
**OF SOUTH CAROLINA**  
**DOCKET NO. 2003-273-E**

**IN RE:**

Aiken Electric Cooperative, Inc.,  
Complainant,

vs.

South Carolina Electric & Gas  
Company,  
Respondent.

**APPENDIX OF TESTIMONY AND  
EXHIBITS TO THE RECORD CITED IN  
COMPLAINANT'S REPLY IN SUPPORT  
OF ITS MOTION TO STRIKE  
RESPONDENT'S AMENDED ANSWER**

1. Pre-filed Direct Testimony of William Harbuck cited at page 6 of Brief
2. Pre-filed Direct Testimony of Gary Stooksbury cited at page 6 of Brief
3. Exhibit E to Gary Stooksbury Direct Testimony cited at page 6 of Brief

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2006 MAR -1 PM 4:  
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COMMISSION

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**DIRECT TESTIMONY**  
**OF**  
**WILLIAM K. HARBUCK**  
**ON BEHALF OF**  
**SOUTH CAROLINA ELECTRIC & GAS COMPANY**  
**DOCKET NO. 2003-273-E**

**Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

A. My name is William K. Harbuck, and my business address is 1615 Clinton Street, Barnwell, South Carolina.

**Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

A. I am employed as a local manager in the Western District for South Carolina Electric & Gas Company.

**Q. DESCRIBE YOUR EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE.**

A. I graduated from Allendale-Fairfax High School in 1974. I then attended three semesters of college at USC-Salkahatchie. In April 1976, I went to work for SCE&G as a lineman working out of the Denmark, South Carolina office. Over the last thirty years I have received various promotions from lineman to lead lineman, then to line supervisor, then to my current position as local manager.

**Q. WILL YOU BRIEFLY SUMMARIZE YOUR DUTIES WITH SOUTH CAROLINA ELECTRIC & GAS COMPANY?**

1     A.           As a local manager, I am responsible for the construction,  
2           operation, and maintenance of the distribution system in what is referred  
3           to as the Barnwell local area, which includes the area where the Hunter-  
4           Kinard-Tyler School ("HKT School") is located. When I served as a line  
5           supervisor in 1995 during the construction of the facilities to serve the HKT  
6           School, I was responsible for the construction and maintenance of  
7           distribution lines.

8     **Q.     MR. HARBUCK, WHAT IS THE PURPOSE OF YOUR TESTIMONY IN**  
9           **THIS PROCEEDING?**

10    A.           The purpose of my testimony in this proceeding is to explain the  
11           physical facilities, both generally and specifically, used by SCE&G to  
12           provide electric service to the HKT School in Orangeburg County, South  
13           Carolina.

14    **Q.     ARE YOU AWARE OF HOW SCE&G CAME TO SERVE THE HKT**  
15           **SCHOOL?**

16    A.           No. I was not involved in any decision about whether to provide  
17           service to the HKT School. I had heard that a new school was being built  
18           in the area, and I knew that SCE&G was competing with Aiken  
19           Cooperative to provide service to the school. The District Manager at the  
20           time was Mike Cherry, and I understand that the school board had  
21           selected SCE&G to provide service and Mr. Cherry told me it would be my  
22           job to construct the facilities necessary to serve the school.

1   **Q.    WHAT WAS YOUR ROLE IN PROVIDING ELECTRIC SERVICE TO THE**  
2       **HKT SCHOOL?**

3   **A.**I was responsible for the construction of the facilities. I was  
4       provided with a design by an SCE&G district engineer and I implemented  
5       that design by constructing the facilities necessary to provide service to  
6       the school.

7   **Q.    PLEASE DESCRIBE THE SPECIFIC FACILITIES USED BY SCE&G TO**  
8       **PROVIDE SERVICE TO THE HKT SCHOOL FROM THE LINE.**

9   **A.**SCE&G provides service to the HKT School from a 46 kilovolt  
10      ("kV") electric line running between the towns of Springfield and Norway  
11      ("Line"). To serve the HKT School from this Line, SCE&G placed a step-  
12      down transformer on a fence-enclosed concrete pad off of the highway.  
13      This transformer is used to step-down the voltage. While the transformer  
14      could have been placed on a pole, placing the transformer in a fence-  
15      enclosed area provides easier access for maintenance and also  
16      decreases the risk that an accident on the highway would disrupt power to  
17      the school, as it might if the transformer had been mounted on a pole near  
18      the highway and a car struck the pole.

19           Overhead lines operating at 23kV were constructed, and a primary  
20      meter is located on the first pole where the 23kV line was constructed  
21      from the transformer. Pursuant to the school's request, the lines were  
22      then placed underground to run underneath Highway 332 to HKT School.  
23      All of the lines on the school grounds are underground for safety reasons



1 and aesthetics. Pad-mounted transformers were also installed at the  
2 school building and at the athletic field to further step down the voltage to  
3 a service level for delivery to the School. The underground lines loop  
4 around the school premise and cross back under the highway and emerge  
5 above ground on the other side of Highway 332 from HKT School and  
6 connect to the overhead line where the loop is completed. This service  
7 configuration is shown on the diagram attached to my testimony as Exhibit  
8 No. \_\_ (WKH-1).

9 **Q. HOW DO THESE FACILITIES FUNCTION TO PROVIDE RELIABLE**  
10 **SERVICE TO THE HKT SCHOOL?**

11 A. The facilities provide redundancy and reliability to the HKT School.  
12 Power flows from the 46kV Line via overhead lines through the meter and  
13 is directed through the underground lines underneath the road to the  
14 school, around the school premise, and then back under the highway to  
15 the overhead lines. In the event of a break in the line, power can be  
16 redirected to flow from the opposite direction to provide power to the HKT  
17 School.

18 **Q. HAS SCE&G SERVED ANY OTHER CUSTOMERS DIRECTLY OFF OF**  
19 **THE SPRINGFIELD-NORWAY LINE?**

20 A. Yes. I am personally aware that in the 1980s SCE&G served the  
21 C&S Farms irrigation system directly from the same Line that is currently  
22 directly serving HKT School, as further evidenced by the documents  
23 showing a contract for service to C&S Farms and the work order showing

1 the 46kV transformer bank to be installed, attached as Exhibit No. \_\_\_\_  
2 (WKH-2). I personally maintained, serviced, and eventually removed the  
3 transformer bank serving C&S Farms. Additionally, SCE&G currently  
4 provides electric service from this Line to the Town of Norway for a lift  
5 station to provide sewer service to the HKT School, the South Carolina  
6 Department of Transportation for a warning light, and the Norfield Medical  
7 Clinic, which is located across the highway from the HKT School.

8 **Q. HAVE YOU MEASURED THE DISTANCE FROM THE LINE TO THE**  
9 **HKT SCHOOL PREMISE?**

10 A. Yes. Measuring from the outside conductor of the 46kV Line, the  
11 HKT School premise is partially within 300 feet of the Line.

12 **Q. WHAT IS THE SIGNIFICANCE OF THE 300-FOOT MEASUREMENT?**

13 A. I understand that in general SCE&G has the right to serve any  
14 customer located within its assigned territory or any customer located  
15 partially or wholly within 300 feet of any electric line shown on an A-sheet.

16 **Q. WHAT IS AN A-SHEET?**

17 A. A-sheets are detail maps showing electric lines or territorial  
18 boundaries. The "A-sheets" show in greater detail those electric lines  
19 which have corridor rights under territorial assignment.

20 **Q. IS THE 46kV LINE BETWEEN SPRINGFIELD AND NORWAY ON THE**  
21 **TERRITORIAL ASSIGNMENT MAP AND ON AN A-SHEET?**

22 A. Yes. I identified Highway 332 and Snake Swamp Road, which are  
23 located near the HKT School, on the key map, found the corresponding

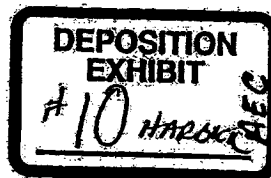
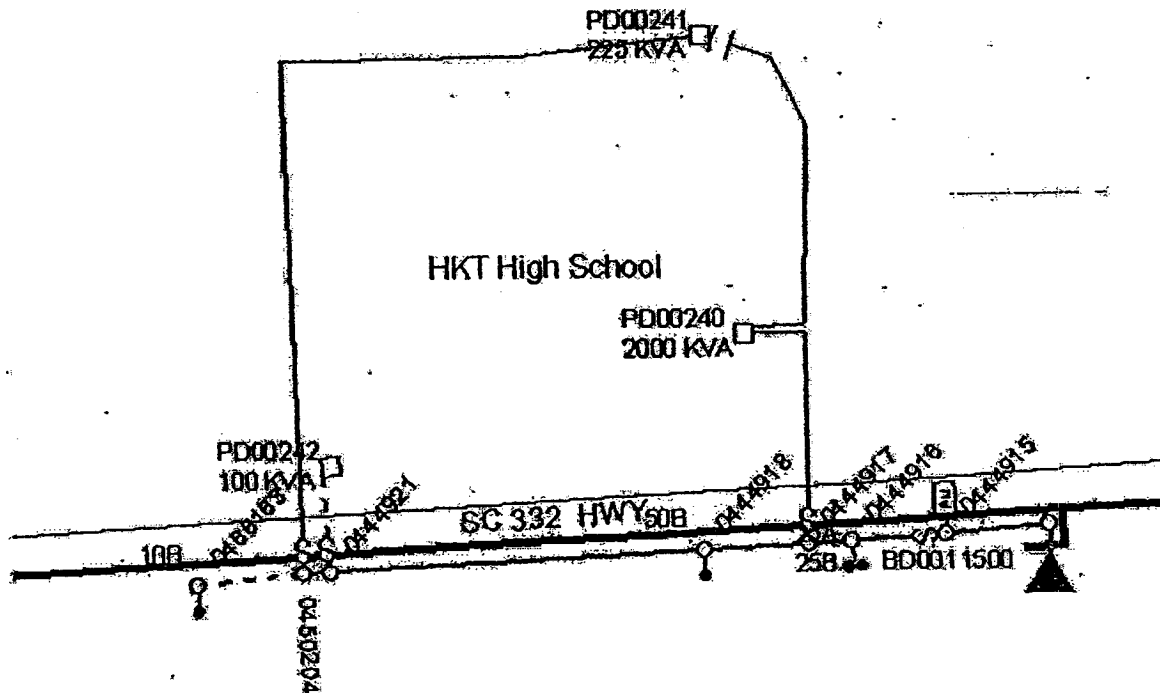
1 detail "A-sheet," which is sheet number 9 of 23 in series 55,839, and  
2 located the 46kV line on the detail "A-sheet." The key map "keys"  
3 individual A-sheets to a portion of the larger county map showing territorial  
4 assignment and the lines of electric suppliers. I drew a diagram of the  
5 HKT School and the service configuration on a copy of the detail "A-  
6 sheet," which is attached as Exhibit No. \_\_\_\_ (WKH-3). While I did not  
7 verify the location to scale, this is a fair approximation of the HKT School's  
8 location.

9 **Q. DID SCE&G PROVIDE TEMPORARY POWER FOR THE**  
10 **CONSTRUCTION OF THE HKT SCHOOL?**

11 A. Yes. I supervised construction of the facilities to provide temporary  
12 service to M.B. Kahn as the general contractor for construction of the HKT  
13 School. We provided that power off of the 46kV Line.

14 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

15 A. Yes.



SCE&G 0146

## SOUTH CAROLINA ELECTRIC &amp; GAS COMPANY

Inter-Office Correspondence  
Customer Operations  
Northern Division-Districts

Letter

Subject: C&S Farms - 46KV Service  
(Reference: System Planning Memo  
10/6/80)

Date: October 30, 1980

To: Mr. G. C. Craft

Attention of

Operations requests that an estimate be prepared by Engineering to serve this load off the 46KV using the three available 100KVA 44-48 KV transformers.

On receipt of this estimate we will contact customer and secure a signed contract.

If customer wants this service, the distribution crews in Denmark will help with the line construction if needed.

Please send the estimate to Ted Jeffcoat in Denmark.

*Alton G. Bostic*  
Alton G. Bostic

ldc

Encl.

cc: Mr. T. A. Jeffcoat  
Mr. W. A. Darby  
Mr. D. E. Hay

## SERVICE ORDER

N<sup>o</sup> 39898

SOUTH CAROLINA ELECTRIC &amp; GAS COMPANY

District Denmark-50Date Nov-19-80

COUNTY CRANGABING MUNICIPALITY Near Springfield SCHOOL DIST. \_\_\_\_\_  
 NAME OF CONSUMER C. S. FARM INCORP. PHONE: \_\_\_\_\_  
 SERVICE ADDRESS Box 324 - Near Springfield

ROUTE/FOLIO \_\_\_\_\_

## SERVICE INSTALLATION OR CHANGES REQUIRED TO BE MADE

Electric ☒ Municipal ☐ Temporary Service ☐ Underground ☐ Existing to New Service ☐  
 Gas ☐ Existing Service ☐ New Service ☒ Overhead ☐ Flood Light ☐ Farm ☐  
 Security Light ☐ Non Farm ☐

Estimated Total Cost 9787.00

Gas used for: Cooking ☐ Water heating ☐ Space heating ☐  
 Other ☐

Estimated Annual Revenue 4764.00 (Increase ☐ Estimated Annual MCF \_\_\_\_\_

## Work required:

250 h.p. Irrigation pump 30' ServicePrepared by J.P. MartinApproved J.P. Martin (CAJ)

## SERVICE INSTALLATION OR CHANGES AS COMPLETED ON THIS ORDER

	Size & Kind	No. of Wires	Total Wire Ft.	Served Pole #	DATE INSTALLED
Installed					
Removed					

## FOR USE OF GAS ENGINEER

Main Size	Length
Main Cost \$	
Service Cost \$	
Meter Cost \$	
TOTAL COST	\$
Distribution Order No.	
Date Completed	
Sr	
Approved	

## NOTES OR SKETCH

Distribution: White—Operating Dept.  
 Canary—Operating Dept.  
 Pink—Originator  
 White—Plant Accounting  
 upon completion

Copy to: \_\_\_\_\_

SCE&amp;G

165

**SOUTH CAROLINA ELECTRIC & GAS COMPANY**  
**AGREEMENT TO PROVIDE ELECTRIC SERVICE**  
**(FOR CUSTOMER REQUIREMENTS OF LESS THAN 1000KW)**

THIS AGREEMENT made this 11<sup>th</sup> day of DECEMBER 1980, by and between the SOUTH CAROLINA ELECTRIC & GAS COMPANY, Inc. (SCEG), its successors and assigns sometimes hereinafter called the "Company," and C & S FARM, INC. located at P.O. Box 8, Norway, South Carolina, sometimes hereinafter called the "Customer."

In consideration of the mutual agreements hereinafter contained, IT IS AGREED:

1. That for and during the term of ten (10) years beginning on the date service is established, which is estimated will be on or about February 15 1981, and continuing thereafter by yearly (the word "yearly" shall be interpreted to mean a twelve month period commencing on the first day of the month mentioned in this paragraph 1) periods and terminated by at least 180 days' written notice by either party to the other of its intention to terminate this agreement, the Company shall maintain sufficient line and transformer capacity to enable it to deliver to the Customer not less than 200 KVA of electric power in the form of alternating current, 3 phase, 4 wire, WYE connected service at a frequency of approximately sixty cycles and at a voltage 480 volts per phase. The Company's service point shall be Customer's weatherhead.

The demand and/or energy shall be measured at 480 volts. The Company will furnish all metering equipment, free of charge, to serve the Customer.

2. Should the Customer elect, for any reason, to request relocation of Company's facilities or take any action which will require such relocation, Customer will reimburse the Company for all costs incurred by the Company as a result of such relocation.

3. The obligation of the Company to deliver the commencement of service is conditioned not dependent upon its securing and installing the necessary rights, easements and permits; and in the event that it is delayed in the delivery of electrical energy herein contracted for by laboring, strike, riot, insurrection, fire, flood, explosion, breakdown, acts of God, or the public enemy, or any cause beyond its control, the time fixed for the commencement of delivery of electrical energy hereunder, as well as the completion date, shall be correspondingly extended.

4. The Customer agrees to pay in accordance with the Company's rate schedule presently applicable which is Rate Number 9 attached hereto and made a part hereof.

5. It is expressly understood and agreed that this agreement as well as the rate schedule in the immediately preceding section, is subject to change, modification, or amendment by the Public Service Commission of South Carolina at any time, and that this contract, the rate above mentioned, and all services rendered hereunder are all subject also to the Rules and Regulations of the said Commission, and the General Terms and Conditions of Service of the Company filed with the Commission, or the same now exist or may hereafter be amended.

6. OTHER PROVISIONS: See Attachment "A".

7. The agreement and covenants of the Customer herein shall run with its said place and premises hereinafter mentioned in an agreement operating in the future, so as to bind and bind the successors thereof until the expiration of the full term of this agreement unless as indicated by the Company by an instrument in writing by an authorized official of the Company.

The Terms and Conditions of this agreement cannot be added to, varied or waived, either verbally or in writing by any agent, broker or other person connected with the Company on its behalf except by an authorized officer of the Company in writing.

This agreement supersedes, when executed, all preceding agreements for the electric service herein provided for. All previous communications between the parties herein, whether oral or written, with reference to the subject matter of this agreement are hereby nullified, and no modification hereof shall be binding unless duly signed by the Customer and the Company through authorized official of each, or made by the Public Service Commission as aforesaid.

SOUTH CAROLINA ELECTRIC & GAS COMPANY

Witness:

By John P. Harmon

By N. N. Ackerman

Vice President, Energy Management,  
Gas Transmission and Supply

C & S FARM, INC.

Witness:

By Kenneth F. Fogle

By W. M. H. H. H.

President

SCE&G

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## C &amp; S FARM, INC.

## ATTACHMENT A

6A. The Customer shall pay to the Company an annual minimum charge in the amount of \$3011.38, billed monthly in the amount of \$250.95. This amount is for seasonal service and, therefore, shall be reconciled annually to recognize those months where use exceeds the monthly minimum as an offset against those months with zero use. The monthly minimum shall remain in effect as long as service is provided.

6B. In the event this Agreement is terminated for any reason, the Customer shall pay to the Company a termination charge as follows:

## Termination during the:

First year	\$9787.00
Second year	8806.30
Third year	7829.60
Fourth year	6850.90
Fifth year	5872.20
Sixth year	4893.50
Seventh year	3914.80
Eighth year	2936.10
Ninth year	1957.40
Tenth year	978.70
Eleventh year	0



## SOUTH CAROLINA ELECTRICITY COMPANY

## RATE

## AVAILABILITY

## GENERAL SERVICE

Available to customers using the Company's standard service for general light and power purposes such as commercial, residential, industrial, charitable, and community institutions; and for customers whose meter does not dialing and is supplied through the meter. It is not available for trade service.

## CHARACTER OF SERVICE

Alternating current, 60 cycle, voltage and phase at the option of the Company.

## BASIC MONTH

## Energy Charge:

Flat	\$200 Kwhrs. @	\$0.0044 per Kwhr.
Peak	44,000 Kwhrs. @	\$0.0044 per Kwhr.
Excess over	50,000 Kwhrs. @	\$0.0044 per Kwhr.

It is further provided that when the Company has determined that electricity is the sole source of power for the production of electricity, the amount of "The Basic Use" will be billed at \$0.0044 each month during the billing period of November through April. "The Basic Use" will be the lesser monthly use during the billing period of the previous May through October. The meter indicating an abnormal use of the customer's equipment will be used in calculating "The Basic Use." If facilities are not available to determine "The Basic Use" the same shall be determined by the Company on the basis of the installed equipment.

## MINIMUM CHARGE

The monthly minimum charge shall be \$10.00 per meter, provided however, when construction costs exceed the minimum charge the amount shall be determined by the Company, the monthly minimum charge shall be 2.5% of the total cost of service.

The annual minimum charge for commercial service shall be \$120.00 per meter, the monthly minimum on a pro-rata basis.

## ADJUSTMENT FOR FUEL COSTS

Fuel costs of \$0.0044 per Kwhr. are included in the energy charge and subject to adjustment after hearing by the Public Service Commission of S.C.

## SALES TAX

To the extent can be added for South Carolina Sales Tax, where applicable.

## POWER FACTOR

If the power factor of the customer's installation falls below 85%, the Company may adjust the billing to a basis of 85% power factor.

## TEMPORARY SERVICE

Temporary service for construction and other purposes will be provided under the terms in accordance with the Company's terms and conditions covering such service.

## PAYMENT TERMS

Arrears are not and payments must be made.

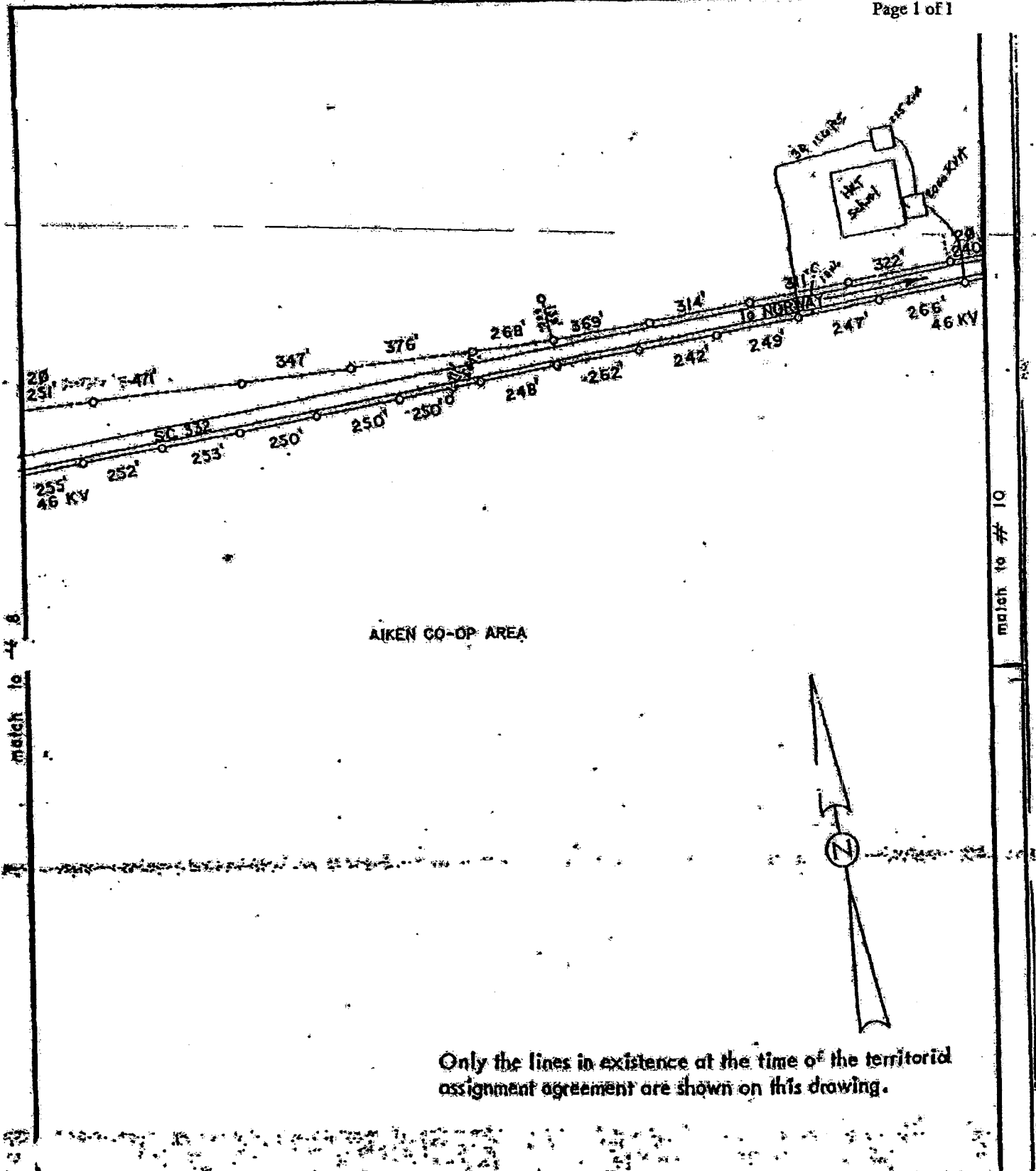
## SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in cost between non-standard service and standard service or pays to the Company the normal margin of profit charge based on such difference in cost.

## TERMS OF CONTRACT

Contracts for installation of a permanent nature shall be written for a period of not less than one (1) year. A separate contract shall be required for each meter at each location.

Electricity rates are reviewed on and after the first billing month of August, 1992.



Only the lines in existence at the time of the territorial assignment agreement are shown on this drawing.

NO.	DATE	REVISION	DATE	BY

DR. TR. 11/1/22	<b>SOUTH CAROLINA ELECTRIC &amp; GAS CO.</b>
CL	FOR EXISTING SUPPLY LINES NEAR AGREED BOUNDARY
APP	DETAIL AIKEN ELECT. COOP. ORANGEBURG COUNTY
DATE	

**IN RE:**

**PREFILED TESTIMONY OF  
GARY STOOKSBURY**

1     **Q:**     **Please state your name and your business address for the Commission.**

2     A:     Gary Stooksbury, Aiken Electric Cooperative, Inc., Post Office Box 417, 2790 Wagener

3             Road, Aiken, South Carolina, 29802.

4     **Q:**     **What is your position with Aiken Electric Cooperative?**

5     A:     I am Chief Executive Officer of Aiken Electric Cooperative.

6     **Q:**     **How long have you been with Aiken Electric Cooperative?**

7     A:     I have been with Aiken Electric since 1995.

8     **Q:**     **What are your duties as Chief Executive Officer?**

9     A:     I am ultimately responsible for the day-to-day operations of the business and supervise

10            and direct the business activities of the Cooperative.

11    **Q:**     **What do you intend to testify about?**

12    A:     I will testify regarding SCE&G's illegal electric service to the Hunter Kinard Tyler

13            School site.

14    **Q:**     **Is the Hunter Kinard Tyler School located within Aiken Electric's service territory?**

1 A: Yes, the school is located within what we refer to as green territory or Cooperative  
2 territory.

3 **Q: Does SCE&G have a right to serve a premises located within Cooperative territory?**

4 A: No. SCE&G only has a right to serve a premises in Aiken Electric's territory if it has a  
5 corridor right or an agreement.

6 **Q: What is your understanding of corridor rights?**

7 A: It is my understanding that an electric provider has corridor rights through another  
8 provider's assigned territory so long as the line meets the statutory definition of a  
9 distribution line. The definition requires that a line carrying greater than 25kV but less  
10 than 48kV must meet one of the standards. Either it was used primarily as a distribution  
11 line on July 1, 1969, or the electric suppliers in the area agree it is a distribution line, or  
12 the Commission issues an order determining it is a distribution line.

13 **Q: Are you familiar with the tract of land containing the Hunter Kinard Tyler School**  
14 **premises?**

15 A: Yes. I have visited the Hunter Kinard Tyler School site several times. Aiken Electric  
16 provided temporary power to the School.

17 **Q: Are you familiar with A-Sheets?**

18 A: Yes, A-Sheets are maps that represent each utility's transmission and distribution lines in  
19 given areas as the lines existed at the time of territorial assignment.

20 **Q: Have you reviewed the A-Sheet that contains the Hunter Tyler School premises and**  
21 **which is marked as Exhibit A to your testimony?**

22 A: Yes, I have reviewed the A-Sheet that contains the Hunter Kinard Tyler School.

23 **Q: Does Exhibit A accurately depict the lines as of the time of territorial assignment?**

1 A: Yes, to the best of my knowledge the A-Sheet accurately reflects the transmission and  
2 distribution lines as they existed at the time of territorial assignment.

3 Q: What evidence does Aiken Electric have that demonstrates that SCE&G is unable to  
4 legally serve the school?

5 A: The line on the A-Sheet that SCE&G attempts to derive corridor rights from was a 44kV  
6 to 46kV bulk power transmission line at the time of territorial assignment.

7 Q: How do you reach that conclusion?

8 A: The line is labeled 44kV to 46kV and there are no service spurs to premises within the  
9 mapped area. Additionally, SCE&G had to build facilities to serve the school and ball  
10 field.

11 Q: What is the significance of a service spur?

12 A: A service spur indicates that the electric provider was actually serving a premises or  
13 customer off of the line. For example, the A-Map illustrates two Aiken Electric service  
14 spurs to premises existing as of July 1, 1969. This means that Aiken Electric was at least  
15 serving two customers off of the Aiken Electric line at the time of territorial assignment.  
16 On the other hand, looking at the SCE&G line, there are no service spurs which leads me  
17 to believe that SCE&G did not serve customers off of the line. Therefore, although the  
18 line existed in 1969, it does not carry corridor rights as it was not serving customers or  
19 premises at the time of territorial assignment.

20 Q: Are you also familiar with the A-Map for the section of Highway 332 heading  
21 towards Norway adjacent to the one we were just viewing?

22 A: Yes I am.

23 Q: What is Exhibit B to your testimony?

1 A: This is the A-Sheet for the portion of 332 adjacent to Hunter Kinard Tyler School  
2 heading towards Norway, South Carolina. As you can see, there are no secondary lines  
3 or service spurs off of the 46kV on the other side of the highway, the Aiken Electric  
4 Cooperative line has numerous secondary lines or service spurs showing where  
5 individual residential or commercial services have been connected to the line. These  
6 maps from 1969, confirmed my understanding that the 44kV or 46kV lines in that area in  
7 the SCE&G system were primarily used for transmission and were not serving customers  
8 at the time of territorial assignment.

9 **Q: What other evidence does Aiken have that illustrates that SCE&G does not have a**  
10 **corridor within 300 feet of the school?**

11 A: SCE&G has approached Aiken Electric with an agreement to assert corridor rights off of  
12 the transmission line.

13 **Q: Does Exhibit C accurately reflect that unsigned agreement?**

14 A: Yes. In Paragraph 6 of the proposed agreement, SCE&G specifically states that  
15 "SCE&G agrees that its 44kV line is a transmission line and that it will not assert corridor  
16 rights off of the 44kV line and that SCE&G will not extend the current 23kV distribution  
17 line any further than the current length of the 23kV line." An agreement was never  
18 reached as I did not agree with the contention that a transmission line could carry corridor  
19 rights. To date, I am not aware of any evidence that supports SCE&G's contention that  
20 the subject line is a distribution line carrying corridor rights. It may be a distribution line  
21 today; however, in 1969, it was a transmission line.

22 **Q: Has Aiken Electric ever agreed or acquiesced to SCE&G that the subject**  
23 **transmission line carries a corridor?**

1 A: No, in fact, Aiken Electric has always contended that SCE&G does not have a corridor  
2 off of the referenced transmission line. On November 7, 1997, I wrote a letter to Mr.  
3 Thomas Arthur, then General Counsel for SCE&G, outlining Aiken Electric's position  
4 that the line was a 44kV bulk transmission line at the time of territorial assignment, and  
5 as such, carried no corridor rights. In support of my letter, I referred Mr. Arthur to the  
6 Blue Ridge Electric Cooperative v. Duke case (PSC Order No. 97-819) that held that the  
7 Duke line was a transmission line at the time of territorial assignment and, accordingly,  
8 did not have corridor rights. See **Exhibit D** (PSC Order and South Carolina Supreme  
9 Court Order).

10 Q: **Is Exhibit E a true and correct copy of that letter?**

11 A: Yes.

12 Q: **Did SCE&G respond to your letter?**

13 A: Yes, three years later on November 8, 2000, SCE&G responded to my 1997 letter.

14 Q: **Is Exhibit F a true and correct copy of that response letter?**

15 A: Yes.

16 Q: **How did SCE&G reply?**

17 A: SCE&G stated that they were aware of the case and had filed an appeal.

18 Q: **Did the South Carolina Supreme Court ever address the Blue Ridge Electric**  
19 **Cooperative v. Duke case (PSC Order No. 97-819)?**

20 A: Yes, it is my understanding that the PSC's decision that I referred to in my 1997 letter to  
21 SCE&G was affirmed and that the South Carolina Supreme Court ruled that a 46kV line  
22 can only be a distribution line if the parties either agree or the line was used as a  
23 distribution line as of July 1, 1969.

1    **Q:    Has Aiken Electric ever agreed with SCE&G that the subject line is a distribution**  
2       **line?**

3    **A:    No.**

4    **Q:    Has Aiken Electric ever agreed with SCE&G that the Orangeburg County**  
5       **territorial assignment map is a binding contract that only reflects distribution lines**  
6       **in existence as of July 1, 1969?**

7    **A:    No, Aiken Electric has not. According to our Supreme Court, territorial assignment maps**  
8       **contain both transmission and distribution lines. Prior to SCE&G's line upgrade and at**  
9       **the time of territorial assignment, the subject line was a bulk transmission line similar to**  
10      **the line in the Duke case in that it too did not serve a customer or premises. Neither line**  
11      **carries a corridor as both lines were bulk transmission lines at the time of territorial**  
12      **assignment.**

13   **Q:    Has Aiken Electric ever conceded that SCE&G's service to the Hunter Kinard Tyler**  
14      **School is proper?**

15   **A:    No. In fact, in reviewing Aiken Electric's business records, it appears that Aiken Electric**  
16      **opposed SCE&G's attempts to create corridor rights off of the bulk transmission line.**  
17      **For example on May 10, 1971, Ed Thompson, the General Manager of Aiken Electric,**  
18      **wrote to SCE&G to document SCE&G's attempts to monopolize the territorial**  
19      **assignment negotiation process by building duplicate or additional lines within Aiken's**  
20      **territory in order to later assert service rights because SCE&G wanted "growing room"**  
21      **and did not want to be frozen in the current situation as it existed at the time of territorial**  
22      **assignment. On June 7, 1971, B.E.B. Snowden, on behalf of Aiken Electric drafted a**  
23      **memorandum documenting the same problems.**



1 Q: Does Exhibit G reflect an accurate copy of that letter?

2 A: Yes.

3 Q: Does Aiken Electric regularly keep copies of such records in the ordinary course of  
4 it business?

5 A: Yes.

6 Q: Who was B.E.B. Snowden?

7 A: Mr. Snowden was an electrical engineer with Southern Engineering Company of  
8 Georgia. At the time of territorial assignment, Southern Engineering and Mr. Snowden  
9 were working on behalf of Aiken Electric Cooperative.

10 Q: What is Southern Engineering?

11 A: Southern Engineering was an engineering firm retained by Aiken Electric during the  
12 territorial assignment time period. Southern prepared several documents, memorandums,  
13 and letters for Aiken Electric throughout the territorial assignment period.

14 Q: What was the purpose of Mr. Snowden's memo?

15 A: It is my understanding that it was written to document the negotiation sessions between  
16 Aiken Electric and SCE&G.

17 Q: Does the memorandum refer to the 44kV transmission line that SCE&G later  
18 upgraded to serve the Hunter Tyler School?

19 A: Yes, in fact, Page 2 of the memorandum specifically states that E&G wished to leave the  
20 subject territory (the school area) unassigned "due to the fact that E&G has a  
21 transmission line which at some point in the future they would hope to use as distribution.

22 Q: Does Exhibit H reflect an accurate copy of that memorandum?

23 A: Yes.

1    **Q:    Was this memorandum drafted on behalf of Aiken electric for Aiken Electric's**  
2        **benefit?**

3    **A:**    Yes, it was sent to Mr. James Bell in order to document the territorial negotiation process.

4    **Q:    Is Exhibit I an accurate copy of Mr. Snowden's memorandum dated April 21, 1971?**

5    **A:**    Yes. This letter also reflects that SCE&G wanted "a vast amount of unassigned proposed  
6        between towns and particularly along 44kV lines."

7    **Q:    Is Exhibit J an accurate copy of Mr. Snowden's memorandum dated August 20,**  
8        **1971?**

9    **A:**    Yes. This memorandum reflected some of the difficulties encountered when negotiating  
10       with SCE&G for territory in Orangeburg County.

11   **Q:    Does Aiken Electric regularly keep such records in the ordinary scope of it**  
12       **business?**

13   **A:**    Yes, such letters are saved, typically archived.

14   **Q:    Did Southern Engineering archive and store Aiken's documents through**  
15       **approximately the year 2000?**

16   **A:**    Yes, Southern Engineering archived the documents, memorandums and letters that it  
17       prepared for Aiken Electric.

18   **Q:    Is Southern Engineering still in existence today?**

19   **A:**    Southern Engineering was purchased by Clough Harbour & Associates in the fall of  
20       2000. At that time of acquisition, Southern Engineering agreed to transfer all the  
21       Cooperatives' territorial assignment and related records to Central Electric Power  
22       Cooperative for safekeeping and preservation, this included Aiken's historic documents  
23       relating to territorial assignment.

1    **Q:    Were the documents delivered to Central in their historic condition?**

2    A:    Yes, there was nothing about the documents that would lead me to believe that the  
3           documents were not authentic.

4    **Q:    Why were the documents sent to Central?**

5    A:    Since Central is a transmission and generation cooperative, it made sense that Central  
6           would continue to store the documents in one central location on behalf of the  
7           Cooperatives.

8    **Q:    Have the documents been in existence for over 20 years?**

9    A:    Yes, in fact most of the documents date back more than thirty years.

10   **Q:    Did Southern and Central regularly keep Aiken's territorial assignment records in  
11           the ordinary scope of their business?**

12   A:    Yes, in fact Aiken requested that they do so.

13   **Q:    Did Aiken Electric recently inspect Central's records relating to territorial  
14           assignment in the Orangeburg County area surrounding the Hunter Kinard Tyler  
15           School?**

16   A:    Yes. I inspected Aiken's materials at Central, made copies of the materials relating to  
17           territorial assignment, then took possession of the copies of the documents and returned  
18           the originals. At no time did I remove the original documents from Central's possession  
19           and control.

20   **Q:    SCE&G has alleged in the past that Aiken Electric has failed to follow Regulation  
21           103-304 in the past, are you aware of whether SCE&G complied with Regulation  
22           103-304 in this case?**

23   A.    It is my understanding that they have not.

1    **Q.    Why did Aiken Electric wait until September 17, 2003 to file its petition against**  
2    **SCE&G in this case?**

3    A.    Aiken Electric has always maintained that SCE&G's service to the Hunter Kinard School  
4    was improper. Additionally, Aiken Electric was awaiting the ruling from the Supreme  
5    Court in the Blue Ridge/Duke Case.

6    **Q.    Did you relay your concerns to SCE&G via letter?**

7    A.    Yes. I drafted a letter to SCE&G in 1997 relating to my concerns over the school. It is  
8    attached to my pre-filed testimony as Exhibit E.

9    **Q.    When did SCE&G reply to your letter?**

10   A.    Despite numerous attempts to get a reply, SCE&G took three years to respond to me in  
11   writing. As is discussed earlier, in 2000, SCE&G finally informed me that they did not  
12   believe that the Duke Blue Ridge case was the law of the land as the case was on appeal.  
13   The 2000 response letter is attached to my pre-filed testimony as Exhibit F

14   **Q.    Is it your understanding that the Duke Blue Ridge case is now the law of the land**  
15   **concerning whether a line was a distribution line at the time of territorial**  
16   **assignment?**

17   A.    Yes, it is my understanding that the South Carolina Supreme Court issued the their final  
18   opinion on January 24, 2001.

19   **Q.    How did Blue Ridge Duke impact your understanding of corridor rights?**

20   A.    It is my understanding that an electric provider has corridor rights through another  
21   provider's assigned territory so long as the line meets the statutory definition of a  
22   distribution line and was actually used as a "distribution line" prior to July 1, 1969.

1    **Q.    From your review of the maps, was SCE&G's 44-46kV line used for distribution**  
2       **power at the time of territorial assignment?**

3    A.    No. I do not see any distribution service drops. Rather, the line appears to transfer bulk  
4       transmission power between two substations.

5    **Q.    After the South Carolina Supreme Court issued the Blue Ridge Duke Opinion what**  
6       **did you do?**

7    A.    After reviewing the case, Aiken realized that it now had a cause of action against SCE&G  
8       as the Duke Blue Ridge ruling became the law of the land. Not only was the service to  
9       Hunter Kinard Tyler School improper, it was illegal.

10   **Q:    Do you understand that Aiken signed the map and because of this SCE&G contends**  
11       **that the A-Map operates as a contract?**

12   A:    Yes, however maps are known to have errors, and I am not aware of any precedent  
13       indicating that A-Maps are binding contracts. It is my understanding that the maps are  
14       simply illustrative of how all lines existed at the time of territorial assignment, not just  
15       distribution lines.

16   **Q:    Are you aware of any specific errors in dealing with A-Maps?**

17   A:    I am familiar with a line that was left of an A- Map in Palmetto Electric Cooperative's  
18       Territory. I believe the Cooperative was entitled to serve the premises as the line that  
19       was left off the map was a distribution line with service drops and spurs at the time of  
20       territorial assignment.

21   **Q:    Are you familiar with the SCE&G v. Palmetto Electric Cooperative PSC case?**

22   A:    Yes, it is my understanding that SCE&G contented that the A-Maps were binding  
23       contracts in that case.





**Aiken Electric  
Cooperative, Inc.**

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November 7, 1997

Mr. Thomas Arthur  
General Counsel  
South Carolina Electric & Gas Company  
Columbia, SC 29218

Dear Mr. Arthur:

I am writing to express our disapproval with SCE&G's actions to serve the Norway Medical Clinic in Norway, Orangeburg County. If SCE&G continues its effort to provide electric service to the clinic, Aiken Electric Cooperative will be forced to take legal action.

It is my understanding that SCE&G is trying to serve the Norway Medical Clinic, which resides exclusively in Aiken Electric Cooperative's assigned Public Service Commission territory. Aiken Electric Cooperative does not believe SCE&G has any legal rights to serve this customer. SCE&G maintains it is a customer choice situation because its 44kV line grants it corridor rights. We believe the line serves a bulk transmission function and is not a distribution line, thus, no corridor rights may be asserted.

I am enclosing a copy of the recent Public Service Commission decision, Blue Ridge Electric Cooperative, Inc. v. Duke Power Company, (Order No. 97-819), which held that Duke Power Company could not assert corridor rights from its 44kV transmission line. Specifically, the PSC stated, "we do not believe the line in question is a distribution line under the facts of the case, but is a transmission line (*emphasis added*). "The Commission further held, "...we do not believe that this transmission line is capable of generating corridor rights under the laws of this State. We therefore hold that there is no corridor through Blue Ridge territory in this case." Clearly, the Commission's ruling maintains that a 44kV transmission line does not give rise to corridor rights.

Given these facts are nearly identical to the Blue Ridge decision, Aiken Electric has no choice but to insist that SCE&G immediately cease and desist any activities to unlawfully serve the Norway Medical Clinic. SCE&G's failure to so cease will force us to stop these unlawful activities.

I trust you will give this your immediate attention and contact us accordingly.

Sincerely,

Gary L. Stooksbury  
Executive Vice President  
& General Manager

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